



Department of Defense
Office of the Under Secretary of Defense (Comptroller)

Business Management Modernization Program (BMMP)

Presented by:

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Financial Management Domain
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Business Management Modernization Program (BMMP)

- Overview
 - Mission
 - Impact
 - Accomplishments
 - Changes
 - Defense Business Systems
 - Business Transformation Structure
 - Enterprise Capabilities
 - FM Transformation Framework
 - Data Standards

BMMP Mission

“Transform business operations to optimize support for the Warfighter while providing high-quality data for decision makers, affirmed by an unqualified audit opinion on consolidated financial statements of the Department of Defense.”

Impact

- BMMP impacts all of DoD:
 - 5.5 M employees, service members, and beneficiaries
 - \$400 B/year in expenditures
 - \$700B in assets
 - 600,000 buildings at 6,700 locations in 146 countries
 - 1,312 major weapons systems
 - 150+ Federal source laws and regulations
 - 4,000 business systems...and counting

**BMMP Represents the Largest Transformation Effort in
Government or Industry**

BMMP: Significant Accomplishments

- Increased DoD-wide Systems Visibility
- Developed a Business Enterprise Architecture (BEA)
- Created Data Standards
- Created Process for Control of IT Spending
- Established Cross-Organizational Cooperation

What's Changing In BMMP?

- **Overall**

- Implement a federated approach
- Promote accountability
- Align transformation efforts

- **OSD**

- Focus on enterprise-wide capabilities
- Promote and implement capabilities
- Empower Components
- Streamline certification of system investments

- **Components**

- Distribute accountability to Services and their business leadership

Defense Business Systems

- **FY05 National Defense Authorization Act (FY05 NDAA)**
 - **Incorporates a business transformation structure**
 - **Establishes the Defense Business Systems Management Committee (DBSMC)**
 - **Requires the establishment of Investment Review Boards (IRBs)**

Defense Business Systems Management Committee

- **The DBSMC is responsible for business transformation and business systems transition**
- **The DBSMC is composed of the following members:**
 - **Deputy Secretary of Defense - Chair**
 - **Under Secretary of Defense for Acquisitions, Technology, and Logistics (AT&L) – Vice Chair**
 - **Secretaries of the Military Departments and the heads of Defense Agencies**
 - **Under Secretary of Defense (Comptroller)**
 - **Under Secretary of Defense for Personnel and Readiness**
 - **Vice Chairman of the Joints Chiefs of Staff**
 - **Commander, U.S. Transportation Command**
 - **Commander, U.S. Joint Forces Command**
 - **Assistant Secretary of Defense for Networks and Information Integration/DoD Chief Information Officer**
 - **Director, Program Analysis and Evaluation (Advisory)**

Business Transformation Structure

Defense Business Systems Management Committee

**Business Management
Modernization Program**

AT&L
Approval Authority IRB

Comptroller
Approval Authority IRB

P&R
Approval Authority IRB

NII
Approval Authority IRB

Portfolio Management • Transition Planning • Architecture • Solutions Oversight • Solutions Implementation

**Components Involvement in Business
Execution**

Enterprise Capabilities

Financial Statement Improvement Efforts

FY 2005 Focus

- ***Real Property***
- ***Health Care Data***
- ***Environmental Liabilities***
- ***Military Equipment***
- ***Marine Corp Audit***

Ongoing Focus

- Inventory & OM&S
- Fund Balance With Treasury

Financial Management Mission Areas

FY 2005 Focus

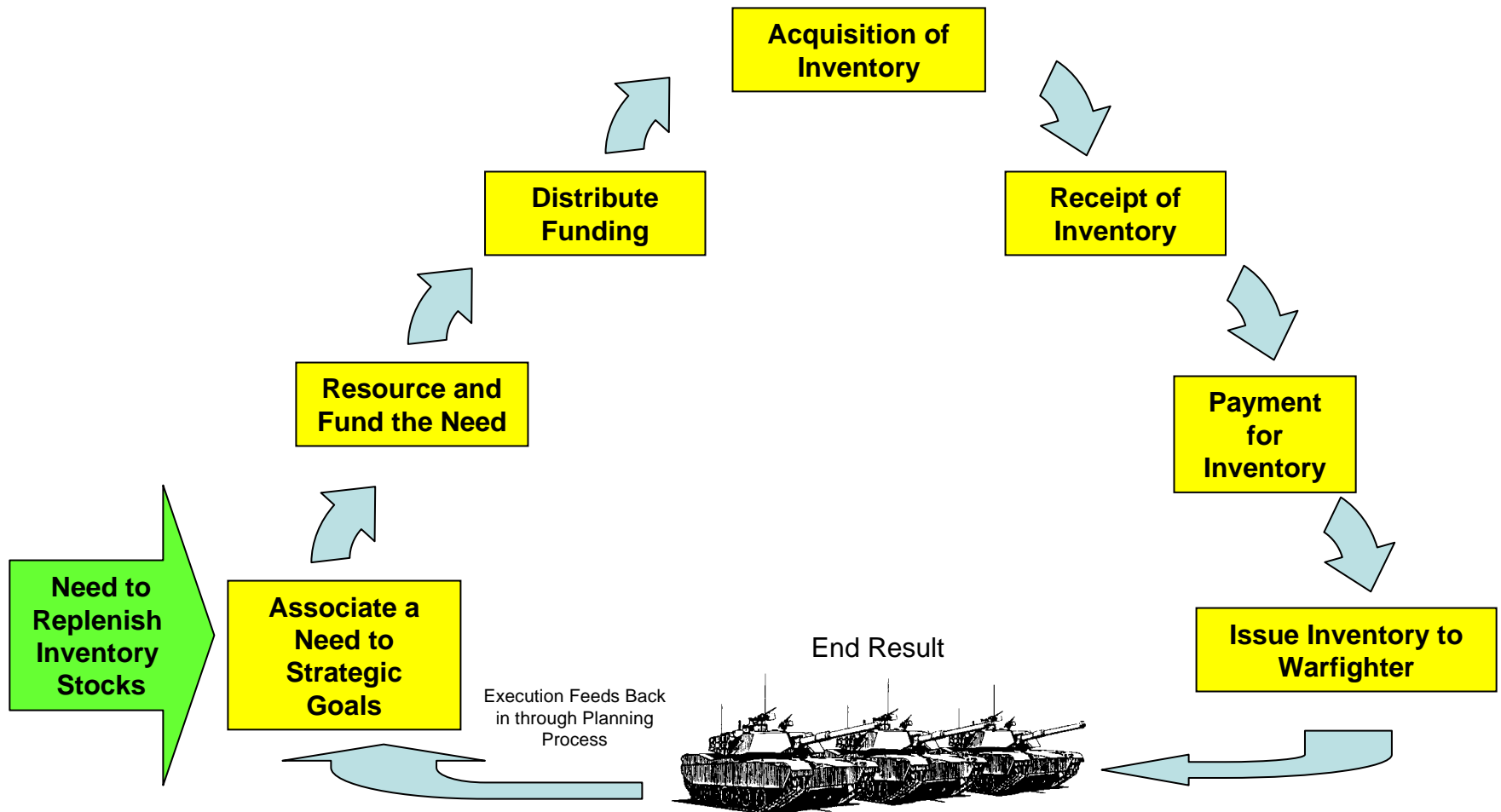
- ***Standard Financial Information Structure (SFIS)***
- ***US Standard General Ledger***
- ***Budget Execution, Funds Distribution, and Performance***
- ***Defense Financial Management Business Systems***

Business Management Modernization Program

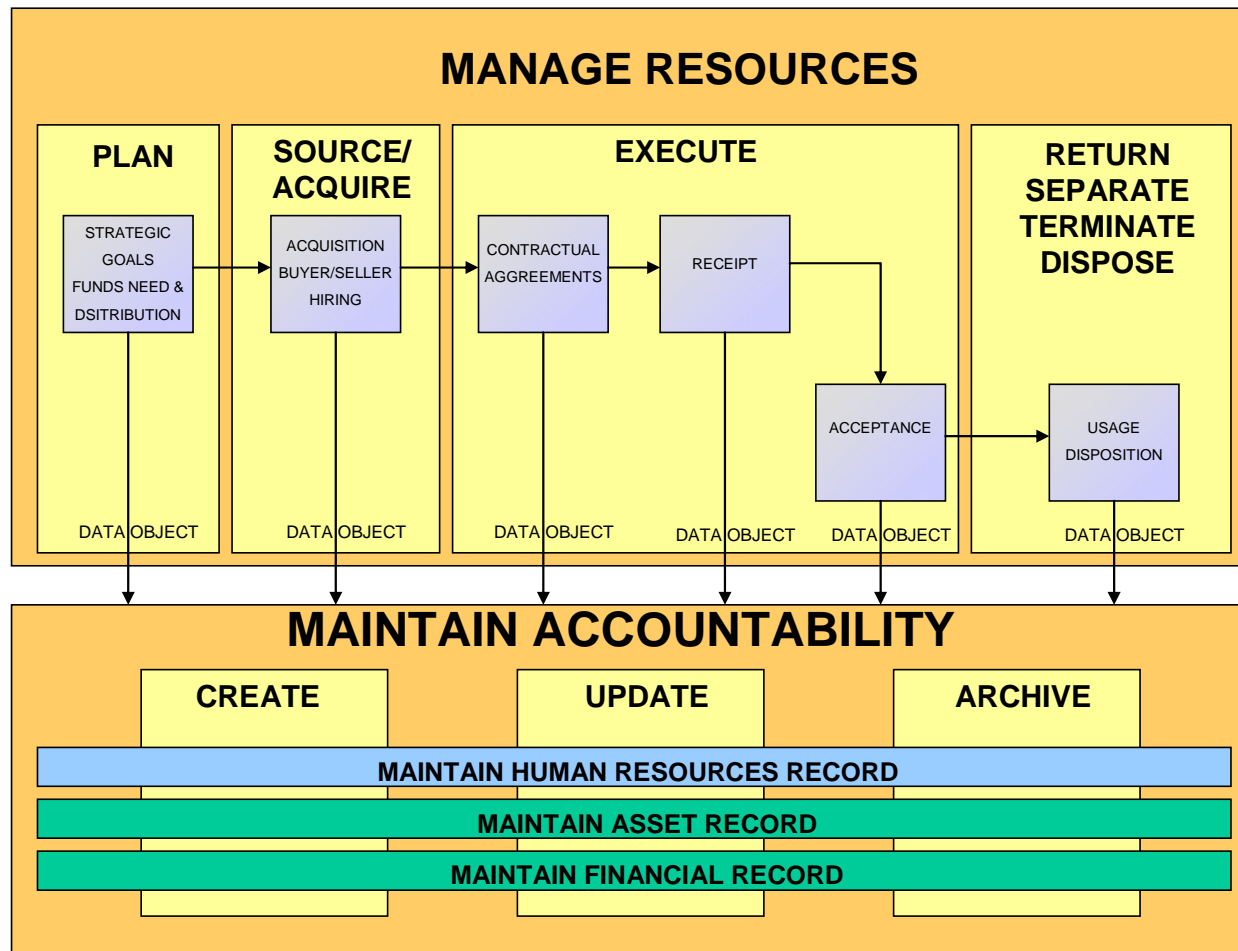
FY 2005 Focus

- Validate and communicate objectives
- Strengthen governance
- Streamline acquisition process
- Streamline OSD certification process
- Sponsor business intelligence
- Accelerate systems smartly
- Data standardization

Business Cycle for Inventory



Enterprise Business Process Model (EBPM)



DoD USSGL Transaction Library

USSGL Transaction Triggered by EBPM Process for Receipt of Inventory

To Record Payable and Expend Authority

DR. 4801 Undelivered Orders - Obligations, Unpaid

CR. 4901 Deliver Orders - Obligations, Paid

DR. 1521 Inventory Purchased for Resale

CR. 2110 Accounts Payable

DR. 3107 Unexpended Appropriations - Appropriations Used

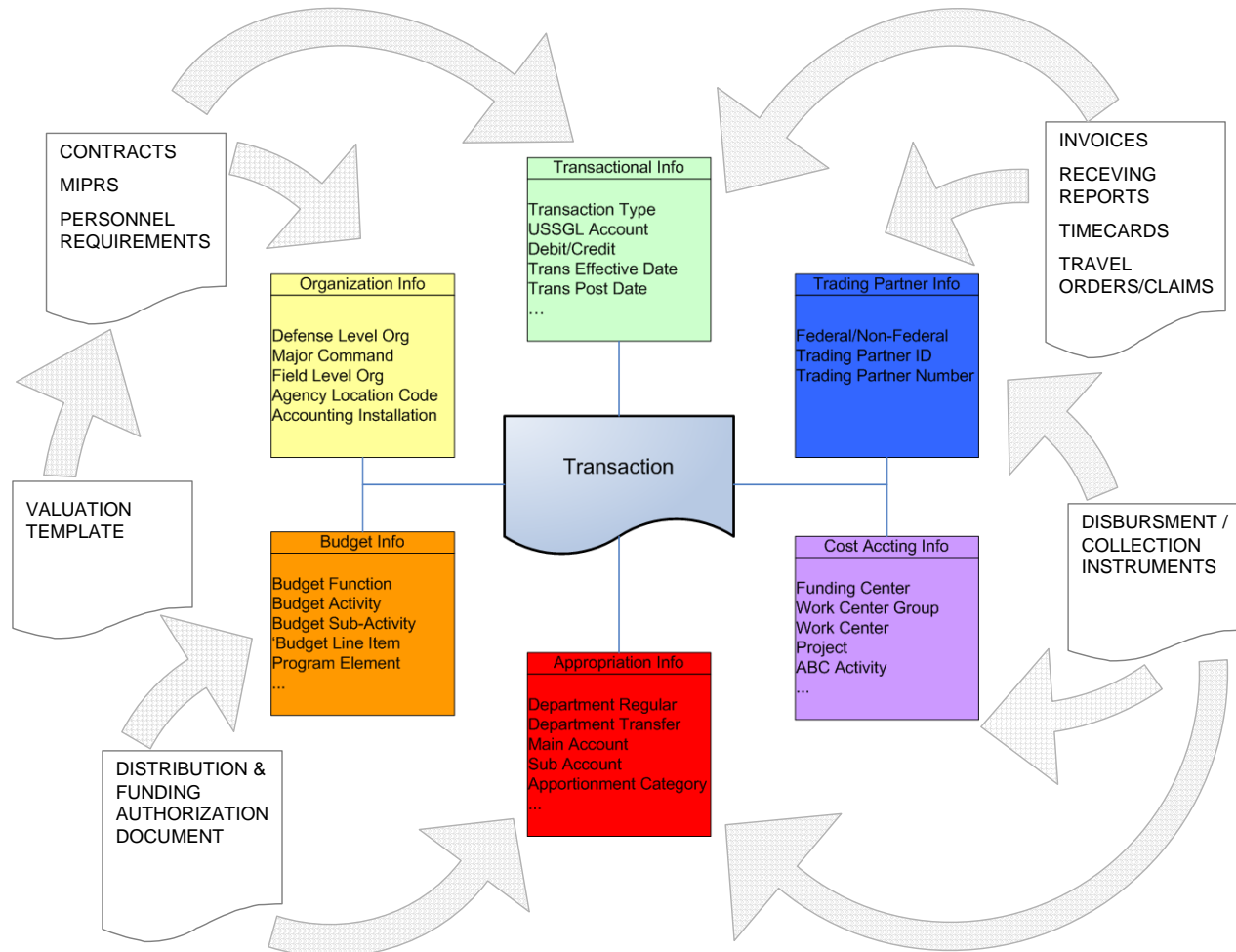
CR. 5700 Expended Appropriations

Inventory Sub Ledger

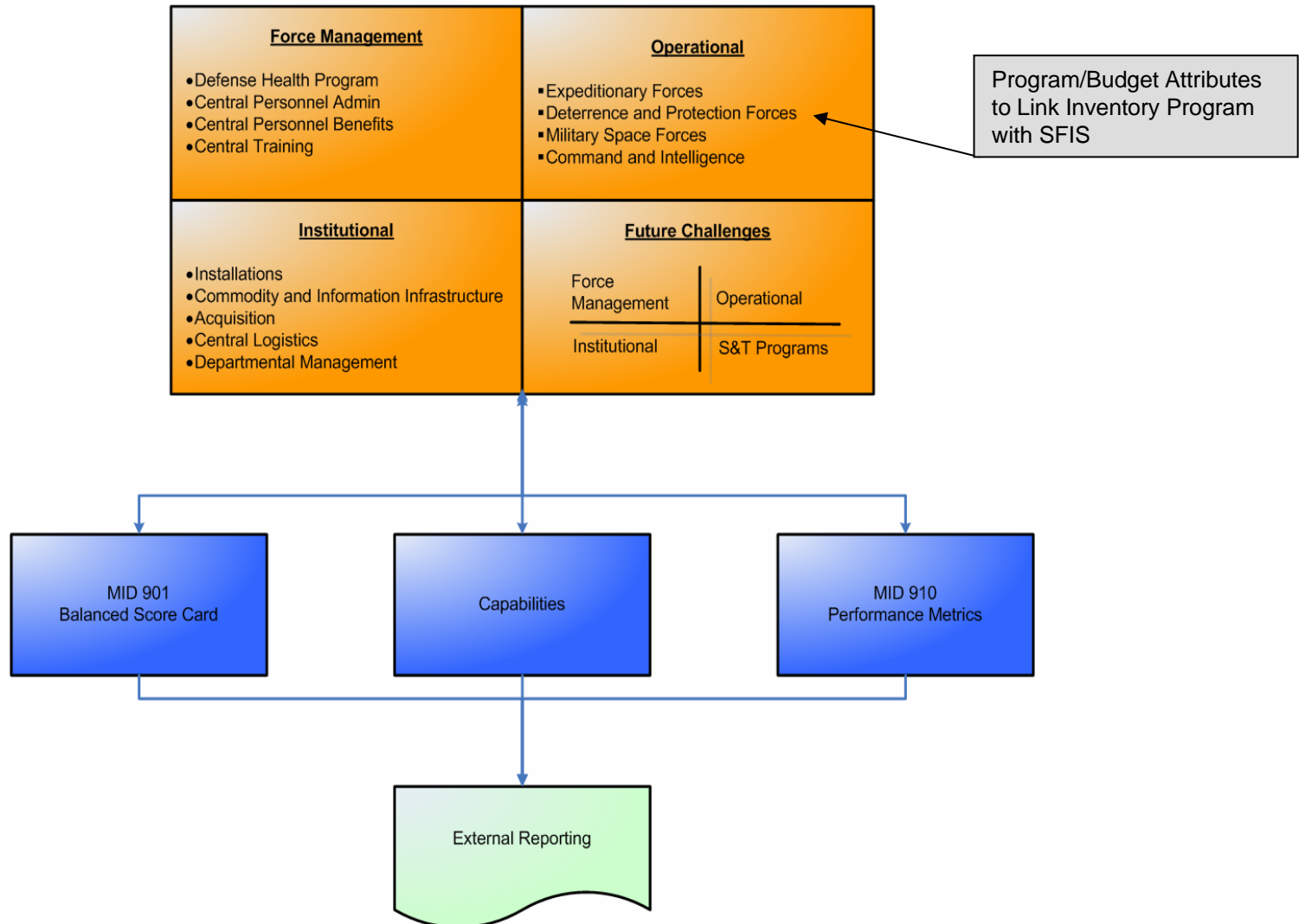
1521dr \$1,283,050

(to record receipt
of inventory)

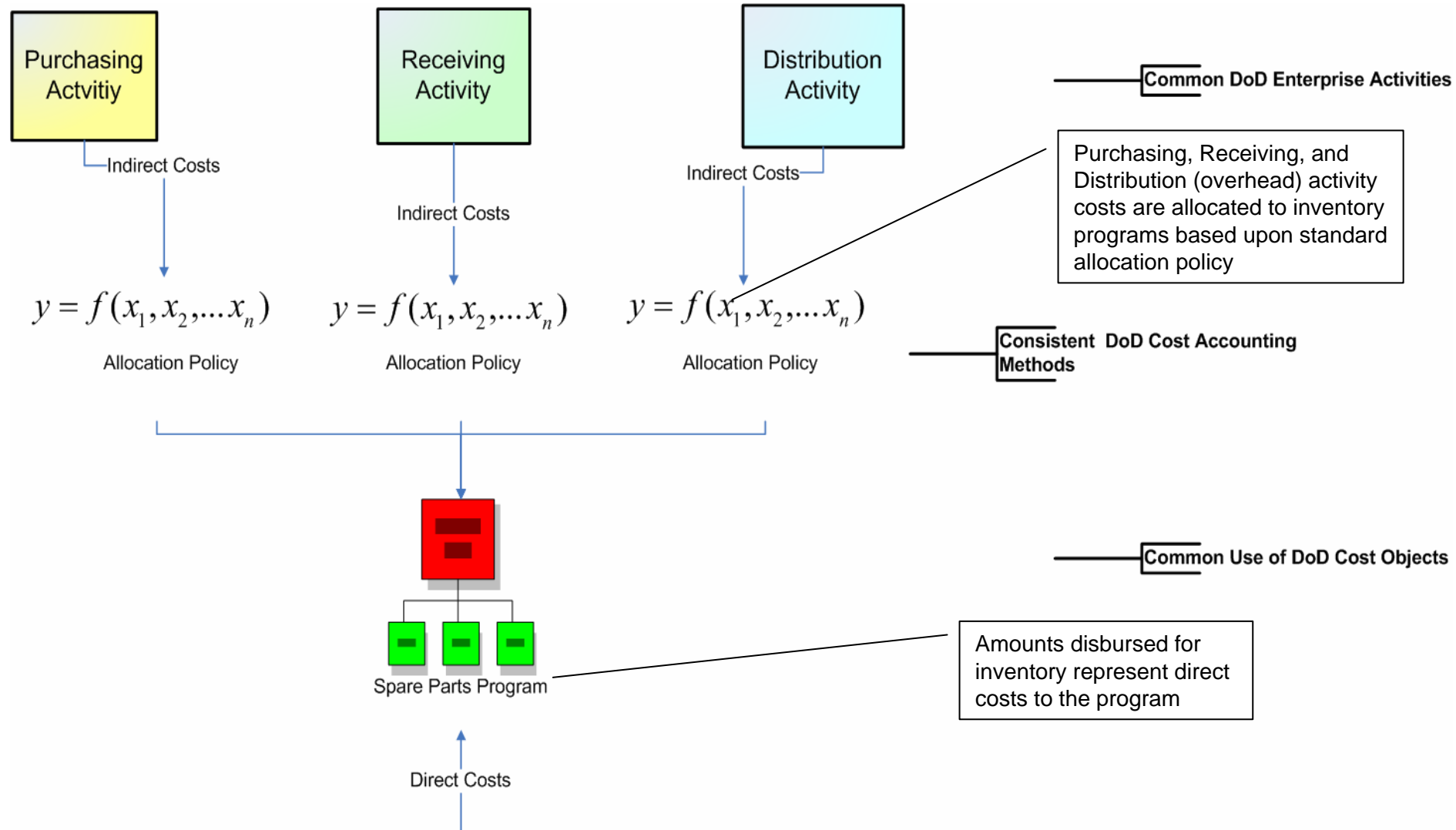
Standard Financial Information Structure (SFIS)



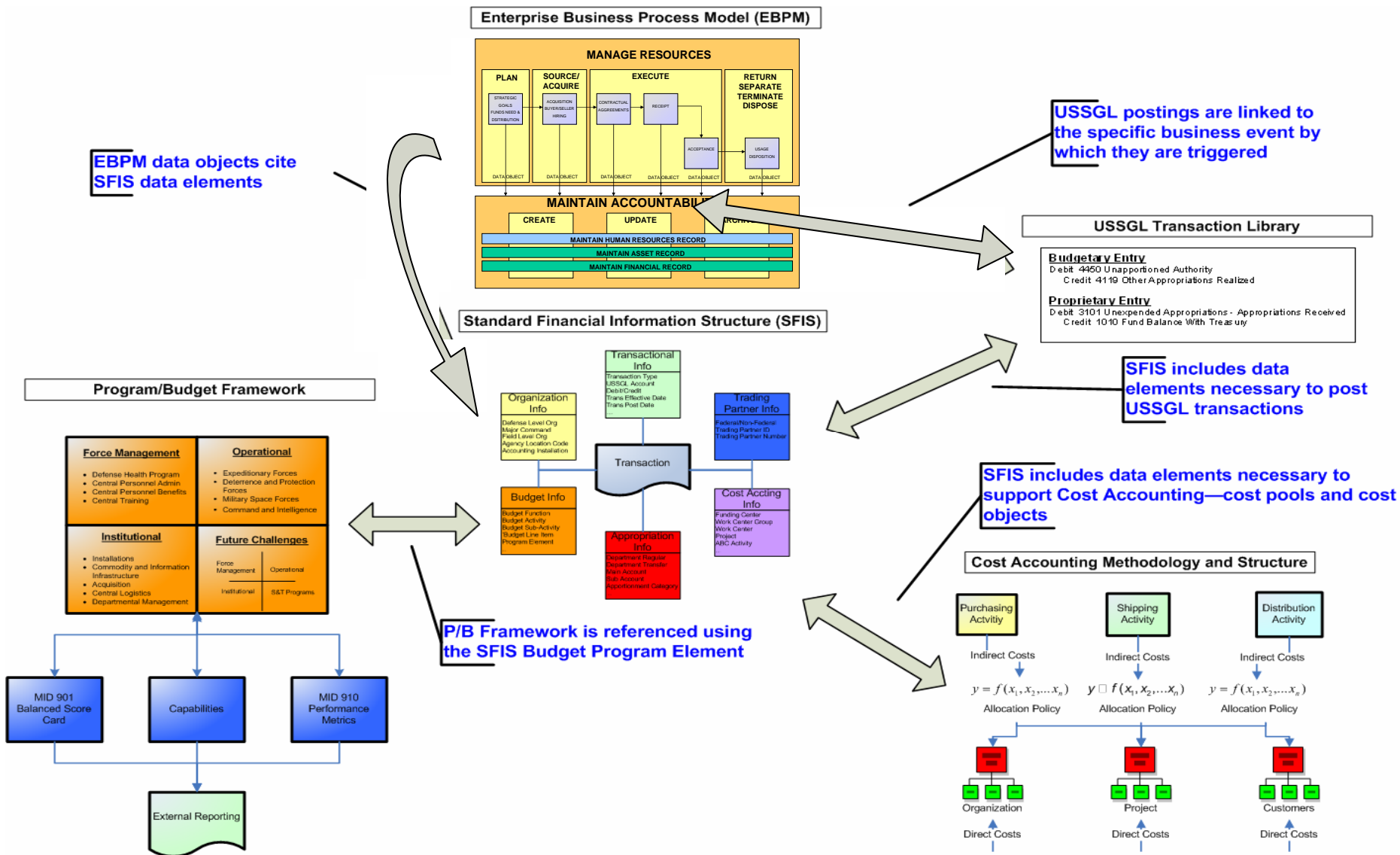
Program/Budget Framework



Cost Accounting Methodology and Structure



FM Framework Initiatives



EBPM data objects cite SFIS data elements

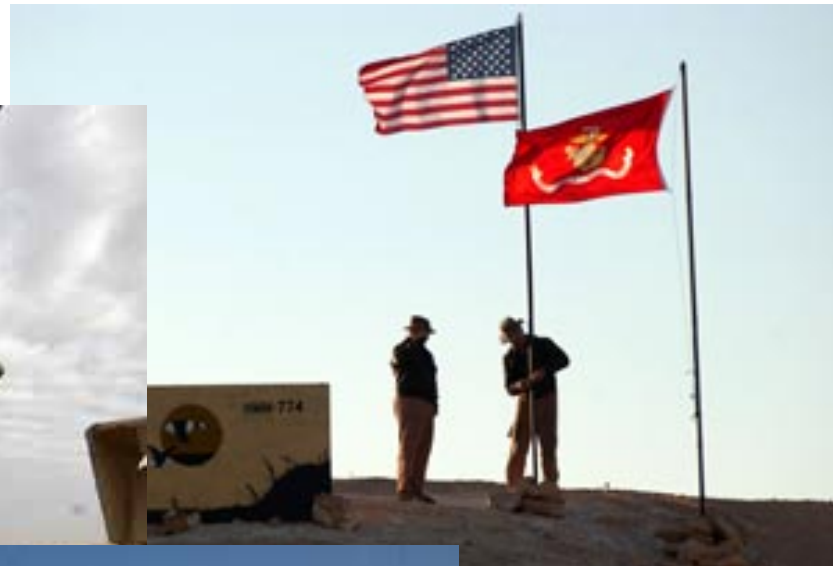
USSGL postings are linked to the specific business event by which they are triggered

SFIS includes data elements necessary to post USSGL transactions

SFIS includes data elements necessary to support Cost Accounting—cost pools and cost objects

P/B Framework is referenced using the SFIS Budget Program Element

For Those We Serve ...



For more information,
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